

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF IOWA**

In re:

MERCY HOSPITAL, IOWA CITY, IOWA, *et al.*,

Debtors.

)
) Chapter 11
)
) Case No. 23-00623 (TJC)
)
) Jointly Administered
)
) **Related to Docket No. 352**
)

AMENDED NOTICE OF AUCTION RESULTS

PLEASE TAKE NOTICE that on September 14, 2023, the Court entered an *Order (A) Approving Bidding Procedures for the Sale of the Debtors' Assets, (B) Approving Break-Up Fee, (C) Scheduling an Auction for, and Hearing to Approve, the Sale of the Debtors' Assets, (D) Approving the Form and Manner of Notice Thereof, (E) Approving Contract Assumption and Assignment Procedures and (F) Granting Related Relief* [Docket No. 222] (the "Bidding Procedures Order").

PLEASE TAKE FURTHER NOTICE that the Bidding Procedures Order approved, among other things, the implementation of the Bidding Procedures¹ in connection with the disposition of substantially all of the Debtors' assets or some portion thereof (the "Assets").

PLEASE TAKE FURTHER NOTICE that the deadline to bid on the Assets was 5:00 p.m. (prevailing Central Time) on October 2, 2023 and the Auction was scheduled for 10:00 a.m. (prevailing Central Time) on October 4, 2023.

PLEASE TAKE FURTHER NOTICE that the Debtors conducted the Auction for the Assets on October 4, 2023 in Chicago, Illinois. Later that evening, the Debtors, in consultation with the Official Committee of Unsecured Creditors (the "UCC"), continued the Auction to a later date.

PLEASE TAKE FURTHER NOTICE that at approximately 10:00 a.m. (prevailing Central Time) on October 10, 2023, the Auction resumed via videoconferencing technology.

PLEASE TAKE FURTHER NOTICE that at the conclusion of the Auction on October 10, in consultation with the UCC, the Debtors designated the bond investors led by Preston Hollow Community Capital, Inc. (collectively, the "Bondholders") as the Winning Bidder for certain of the Assets.

¹ Capitalized terms used herein but not otherwise defined shall have the meaning ascribed to them in the Bidding Procedures Order.

PLEASE TAKE FURTHER NOTICE that, in the days that followed the conclusion of the Auction, and prior to a Sale Hearing, a material disagreement arose between the Debtors and the UCC, on the one hand, and the Bondholders on the other hand. As a result of this material disagreement, the Debtors, after consulting with the UCC, believed that the final bid submitted by the Bondholders was not higher or otherwise better than the final bid submitted by the State of Iowa's University of Iowa (the "University").

PLEASE TAKE FURTHER NOTICE that, in accordance with the rights and obligations granted to the Debtors under the Bidding Procedures Order and in the exercise of the Debtors' fiduciary duties, after consulting with the Committee and the bidders, the Debtors reopened the Auction at approximately 9:00 a.m. (prevailing Central Time) on October 27, 2023 via videoconferencing technology.

PLEASE TAKE FURTHER NOTICE that, at the conclusion of the Auction, in consultation with the UCC, the Debtors designated the University as the Winning Bidder.

PLEASE TAKE FURTHER NOTICE that, a true and correct transcript of the October 27, 2023 reopening of the Auction is attached hereto as Exhibit A.

PLEASE TAKE FURTHER NOTICE that the Debtors intend, via separate pleading, to notice the Sale Hearing for approval by the Bankruptcy Court of the sale of the Assets to the University on November 6, 2023 at 10:30 a.m. Central Time.

PLEASE TAKE FURTHER NOTICE that the Debtors intend to file the final purchase agreement and submit a proposed form of order approving the sale of the Assets prior to the Sale Hearing.

[Remainder of the Page Intentionally Left Blank]

Dated: Cedar Rapids, Iowa
October 27, 2023

NYEMASTER GOODE, P.C.

/s/ Roy Leaf

Roy Leaf, AT0014486
625 First Street SE, Suite 400
Cedar Rapids, IA 52401-2030
Telephone: (319) 286-7002
Facsimile: (319) 286-7050
Email: rleaf@nyemaster.com

- and -

Kristina M. Stanger, AT0000255
Matthew A. McGuire, AT0011932
Dana Hempy, AT0014934
700 Walnut, Suite 1600
Des Moines, IA 50309
Telephone: 515-645-5510
Fax: 515-283-8045
Email: mmcguire@nyemaster.com
kmstanger@nyemaster.com
dhempy@nyemaster.com

-and -

MCDERMOTT WILL & EMERY LLP

Felicia Gerber Perlman (admitted *pro hac vice*)
Daniel M. Simon (admitted *pro hac vice*)
Emily C. Keil (admitted *pro hac vice*)
444 West Lake Street, Suite 4000
Chicago, IL 60606
Telephone: (312) 372-2000
Facsimile: (312) 984-7700
Email: fperlman@mwe.com
dsimon@mwe.com
ekeil@mwe.com

- and -

Jack G. Haake (admitted *pro hac vice*)
2501 North Harwood Street, Suite 1900
Dallas, TX 75201
Telephone: (214) 295-8000
Facsimile: (972) 232-3098
Email: jhaake@mwe.com

Counsel for Debtors and Debtors-in-Possession

Certificate of Service

The undersigned certifies, under penalty of perjury, that on this October 27, 2023, the foregoing document was electronically filed with the Clerk of Court using the Northern District of Iowa CM/ECF and the document was served electronically through the CM/ECF system to the parties of this case

/s/ Roy Leaf